

ABSTRACT OF THE DISCLOSURE

A business process and computer system known as the "Target Pricing System" (TPS) that generates an optimum bid or value for a competitively bid good or service. The system is resident on one or more host processors in connection with one or more data stores, and includes

5 a product model that prices defines list values the bid using stored price data and costs the values using stored cost data, a competitor net price model that calculates an equivalent competitor net price for the value, and and

a market response model that calculates the probability of winning with the value as a function of price. The system further preferably includes .

an optimization model that computes the target price of an optimal value that maximizes expected contribution for the bid or value. The system alternately further includes a benefits model for calculating the benefits of using target pricing over a pre-existing approach, and strategic objects which each affect the target price.

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